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OF THE PHILIPPINES)
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SENATE
P.S.R. No. 590

RECEIVED BY

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE BLUE RIBBON COMMITTEE TO IMMEDIATELY INCLUDE IN ITS ONGOING HEARING ON THE PORK BARREL SCAM THE FINDINGS OF THE COMMISSION ON AUDIT THAT PORK BARREL FUNDS COURSED THROUGH THE NATIONAL COMMISSION ON MUSLIM FILIPINOS WENT TO NON-GOVERNMENT ORGANIZATIONS REPORTEDLY LINKED TO JANET LIM-NAPOLES

WHEREAS, according to a 24 March 2014 news report in the *Philippine Daily Inquirer*, President Aquino has reportedly ordered an investigation on the alleged involvement of the National Commission on Muslim Filipinos (NCMF) in the pork barrel scam;

WHEREAS, the *Philippine Star* also reported on 25 March 2014 that President Aquino has ordered Executive Secretary Paquito Ochoa Jr., Budget Secretary Florencio Abad, and Cabinet Secretary Jose Rene Almendras to submit a comprehensive report on the issue;

WHEREAS, the NCMF is reportedly the first agency under the Office of the President to be linked to the misuse of the Priority Development Assistance Fund (PDAF);

WHEREAS, according to the 2012 Consolidated Annual Audit Report of the Commission on Audit (COA), the NCMF received a total of P514.71 million from the PDAF and Disbursement Acceleration Program (DAP) funds of various lawmakers;

WHEREAS, the COA found that, contrary to COA Circular No. 2007-001, entitled "Revised guidelines in the granting, utilization, accounting and auditing of the funds released to Non-Governmental Organizations/People's Organizations (NGOs/POs)," and dated 25 October 2007, the lawmakers, and not the NCMF, were the ones who identified the NGOs/POs which would implement the priority projects of the NCMF; this was evidenced by the letters of the lawmakers addressed to the Secretary of the NCMF;

WHEREAS, Item 4.5 of COA Circular No. 2007-001 states:

"4.5 Procedure for the Availment, Release and Utilization of Funds

The following procedures shall be strictly complied with:

- 4.5.1 The GO [Government Organization] shall identify the priority projects under its WFP [Work and Financial Plan] which may be implemented by the NGO/PO, their purpose/s, specifications and intended beneficiaries as well as the time frame within which the projects are to be undertaken. To ensure transparency, the foregoing information shall be made public via newspapers, agency websites, bulletin boards and the like, at least three

months prior to the target date of commencement of the identified projects.

- 4.5.2. For each project proposal, the GO shall accredit the NGO/PO project partners through the Bids and Awards Committee (BAC), or a committee created for the purpose, which shall formulate the selection criteria. The Committee shall perform the selection process, including the screening of the qualification documents, ocular inspection of the NGOs/POs business site, and evaluation of the technical and financial capability of the NGO/PO.”

WHEREAS, the COA said in its report that the selection of the NGOs/POs should be undertaken by the NCMF because the funds were released to it; the NCMF was duty-bound to account the said funds to the government and to the beneficiaries;

WHEREAS, the COA also held in the audit report that the practice of allowing lawmakers to select the NGOs and POs to implement PDAF and DAP projects was a violation of COA Circular No. 2007-001; the selection should not be done by lawmakers but by the government agencies having full responsibility over the funds released to them;

WHEREAS, according to the COA audit report, the NCMF entered into various Memoranda of Agreement (MOA) with senators, members of the House of Representatives, and NGOs and POs in the implementation of PDAF and DAP-funded projects;

WHEREAS, the COA also found that the MOAs did not include provisions on time schedules for the release of public funds, periodic inspection/evaluation, reporting, monitoring requirements, date of commencement, and date of completion of the projects, in violation of COA Circular No. 2007-001;

WHEREAS, the COA report also found that the MOAs provided that “ownership to the fund was retained by his Office,” meaning the office of the senator or member of the House; the COA held that this provision of the MOAs was inconsistent with COA Circular No. 2007-001, which provides that government office funds shall retain their character as public fund;

WHEREAS, the COA held in its audit report that “[a]lthough the fund originated from the PDAF and DAP of the members of the HOR/Senate, the same fund, having been released to NCMF, fall within the fiscal responsibility of the Secretary of NCMF, in line with Section 2, of P.D. No. 1445. The Secretary is under obligation to account these funds to the government. Thus, the members of the HOR should not be made a party to the MOA”;

WHEREAS, the NGOs and POs, which the COA found to have received P514.71 million worth of PDAF and DAP-funded projects, were the following: (1) Kapuso’t Kapamilya Foundation, Inc.; (2) I-Help Foundation Inc.; (3) Kabalikat sa Kalusugan Foundation, Inc.; (4) Kaisa’t Kaagapay Mo Foundation, Inc.; (5) Mahalikang Lipi Foundation, Inc.; (6) Kaakbay-buhay Foundation; (7) WorkPhil Foundation Inc.; (8) Pangkabuhayan Foundation, Inc.; (9) Focus on Development Goals Foundation Inc.; (10) U.F. Multi-Purpose Corp.; (11) Kaagapay Magpakailanman Foundation Inc.; (12) Rich Islas de Filipinas Foundation Inc.; (13) Livedures Foundation Inc.; (14) Commoners Foundation Inc.; (15) Coprahan at Gulayan Foundation; (16) BL Personal Touch Foundation, Inc.; (17) Kagandahan ng Kapaligiran Foundation, Inc.; and (18) Kabuhayan at Kalusugan Alay sa Masa Foundation;

WHEREAS, according to media reports, some of the NGOs and POs listed above have links to Janet-Lim Napoles;

WHEREAS, Enrile allegedly allocated P25 million worth of projects to Livedures Foundation, Inc., while Honasan gave P30 million to Focus on Development Goals Foundation, Inc.; the COA previously recommended that both NGOs be blacklisted;

WHEREAS, the COA and NCMF officials should appear before the Blue Ribbon committee's ongoing hearing on the pork barrel scam to testify and submit documents on the participation of the lawmakers in the disbursement of public funds to NGOs and POs, particularly the COA finding that the lawmakers arrogated upon themselves the selection of the NGOs and POs to implement PDAF and DAP projects, in violation of COA rules and regulations; the NCMF officials can also testify on how loopholes in the disbursement of government funds are exploited in order for public officials to plunder public funds;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the Blue Ribbon committee to immediately include in its ongoing hearing on the pork barrel scam the findings of the Commission on Audit that pork barrel funds coursed through the National Commission on Muslim Filipinos went to non-government organizations reportedly linked to Janet Lim-Napoles.

Adopted,

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MIRIAM DEFENSOR SANTIAGO

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